



Steven L. Beshear
Governor

KENTUCKY INFRASTRUCTURE AUTHORITY

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John E. Covington III
Executive Director

October 26, 2009

Dear Sir or Madam:

If you have a wastewater, stormwater, or nonpoint source project that will need funding during the 2011 state fiscal year (July 1, 2010 thru June 30, 2011), we want to hear from you as your project may be eligible to receive funding from the Clean Water State Revolving Fund (CWSRF). The CWSRF is a competitive program. To be qualified to apply for a low interest CWSRF loan, your project **MUST** be ranked and listed on the SRF Priority List developed by the Division of Water (DOW). **NOTE: *FOR THE 2011 PRIORITY LIST, THERE WILL BE NO CARRY OVER FROM THE 2010 PRIORITY LIST.***

It is easy to submit your project for inclusion on the SRF Priority list. All potential recipients must complete a Project Questionnaire and send it to DOW. The DOW has made some revisions to the Project Questionnaire and ranking criteria since last year to direct future SRF allocations to projects that address Kentucky's highest water quality problems. Previous versions of the Project Questionnaire document WILL NOT be accepted. The questionnaire, a Word document, can be downloaded from DOW's website (<http://www.water.ky.gov/publicassistance/funding/cwsrf/Intended+Use+Plan.htm>) or the Kentucky Infrastructure Authority's (KIA) website (www.kia.ky.gov).

DOW will use the *Kentucky Integrated Project Priority Ranking System (IPPRS)* to rank all eligible projects that are submitted. DOW strongly encourages you to read the Priority System Guidance Document before you begin completing the questionnaire form as you might acquire some useful ideas for improving your project's overall score. **Additionally, only those projects that can start construction by December 31, 2011 will be considered for funding.**

Completed Project Questionnaires must be received by the DOW no later than 4:30 PM eastern time, on **January 6, 2010**. All hardcopies may be mailed to: CWSRF COORDINATOR, DIVISION OF WATER, WATER INFRASTRUCTURE BRANCH, 200 FAIR OAKS, 4th FLOOR, FRANKFORT, KENTUCKY 40601. If submitting a hardcopy only, please allow additional time for mailing before the deadline. **AGAIN, PLEASE NOTE: THERE WILL BE NO CARRY OVER FROM THE 2010 INTENDED USE PLAN. All interested projects must complete the revised Project Questionnaire form which may be obtained from KIA's or DOW's website.**

If selected for funding, your project may be eligible for a low interest loan to partially or even fully fund your next clean water project. CWSRF loans can be used to match grants from Community Development Block Grant (CDBG), Appalachian Regional Commission (ARC) and the Environmental Protection Agency (EPA). We also partner on projects that have U.S. Rural Development (RD) funds and state appropriation line items.

Projected interest rates for the program will be identified in the 2011 CWSRF Intended Use Plan (IUP) which will be available late spring, 2010. Rates identified in the IUP are subject to change by approval of the KIA Board. Currently, KIA offers three interest rates for the CWSRF program. The standard rate of 3% is available for borrowers with a median household income (MHI) at or above \$33,672, the MHI of the Commonwealth from the 2000 Census. A 2% rate is offered to borrowers whose MHI is between \$33,672 and \$26,937 (80% of the Commonwealth MHI). The 2% rate also applies to those projects that facilitate compliance with an order or judgment addressing environmental non-compliance or those systems that are considered regional. To qualify for the 1% rate, the borrower must have a MHI less than \$26,937.

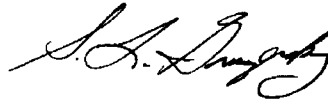
Attached to this mailing is a brochure highlighting the Sustainable Infrastructure (SI) initiative launched last year by EPA and the Kentucky Division of Water. Projects that incorporate some of the practices and recommendations described in the SI brochure may receive additional points, resulting in a higher ranking on the CWSRF Project Priority List. The DOW encourages you to contact them with any questions or feedback regarding the SI initiative.

If you have questions about completing the questionnaire, please contact Shafiq Amawi or Anshu Singh of DOW at Shafiq.Amawi@ky.gov or anshu.singh@ky.gov or at (502) 564-3410. For more information on loan requirements, terms or eligibility of the program contact Kasi White or Sandy Williams of KIA at kasi.white@ky.gov or sandy.williams@ky.gov or at (502) 573-0260.

Sincerely,



John E. Covington, III, Executive Director
Kentucky Infrastructure Authority



Sandra L. Gruzesky, Director
Division of Water